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# Foreign Crops and MARKETS

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NUMBER 13

World Flaxseed Crop Still Below Good Harvests of Early 1940's. Near-Normal Argentine Crop Seen (Page 162)

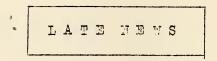
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FOR RELEASE
MONDAY
SEPTEMBER 23, 1946

Issued by the OFFICE OF FOREIGN AGRICULTURAL RELATIONS UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.



The United Kingdom and Argentina concluded a trade agreement on September 17 involving, among other trade arrangements, large British purchases of Argentine meat.

Dairy production in Belgium is not showing the hoped-for increase, because official prices are not renumerative and farmers continue to cull out large numbers of old cows. The meat shortage has increased in recent weeks, largely on account of the feed shortage.

Micaraguan crop prospects have been reduced considerably by drought. The coffee crop apparently was the least affected but the harvest will be smaller than the below-average 1945 crop. Sugarcane has been dwarfed by the continued drought. The bean, rice, and sesame crops are estimated at only 50 percent of normal, and the corn crop will be even smaller.

France and Turkey concluded a commercial agreement on August 31 replacing the commercial treaty signed in 1935. Reciprocal most-favored-nation treatment will be granted to the products to be exchanged. Turkey has agreed to export tobacco, oilseeds, dried fruits and vegetables, tanning extracts, skins, mohair, and hemp. French exports will consist mainly of industrial products.

Switzerland announced that the following rations were released per person for the month of September: Sugar, 750 grams; alimentary paste, 500 grams; flour or maize, 400 grams; maize, 250 grams; oatmeal, 250 grams; barley, 250 grams; cheese, 300 grams; butter, 200 grams; fat, 100 grams; fat 500 grams; or oil, 3 deciliters (2.6 gallons); meat, 1,600 grams; bread, 6,750 grams; and milk, 11 liters (2.2 pounds).

The French Ministry of Food stated that favorable crop yields this year will enable France to provide for her food needs from domestic resources to a greater extent that last year but that total production would continue analoguate by reason of reduced crop acreages. As a result, France will again be in need of food imports in the coming consumption year.

Drought conditions in Guatemala will result in a serious corn shortage in the Departments of El Progreso and Zacapa, and a low harvest in the eastern Departments of Santa Rosa, Juliapa, Jalapa, and Chiquimula.

### WORLD FLAXSEED CROP FORECAST SMALLER

With the world so vitally in need of fats and oils, world flaxseed production in 1946 may be the smallest since the short crop in 1944. A preliminary forecast of world production is 132.3 million bushels, a decrease of only 2 percent from the revised total for 1945, but still considerably below the harvests of the early 1940's. The largest reductions occurred in countries of North America, Asia, and Africa. Production in Europe should equal that of last year. Gains are expected in the Soviet Union, Argentina, and Uruguay. It is too early, however, for official estimates from Southern Hemisphere countries, where harvesting takes place in November and December.

This year's estimate of production in the United States of 22.8 million bushels is less than two-thirds of last year's crow, the smallest crop since 1939. This is largely due to the greatly reduced acreage and to a lower yield per acre in Minnesota and the Dakotas, where from 75 to 80 percent of the crop is produced.

Although Canada's flaxseed acreage is the smallest since 1942, production of 8.7 million bushels exceeds that of 1945 by more than a million bushels. The reduction in acreage is attributed to unfavorable weather at seeding time in some areas of Saskatchewan and Alberta. The condition of the crop.however, at the end of July was 26 points higher in Saskatchewan and 31 points higher in Alberta than in 1945. Acreage in Manitoba increased by 32 percent this year, but the condition figure in July was only 3 percent above that of the corresponding date in 1945.

Mexico's prospective crop of 1.2 million bushels is the equivalent of last season's outturn. The crops in Sonora and in the Mexicali area of Lower California, which are intended primarily for export, are expected to total about 400,000 bushels. The planted acreage in Lower California was much larger than last year's, but the yield per acre was low. In Sonora both acreage and production were smaller than in 1945.

European countries have made a reasonable recovery in their production of flaxseed, with this year's output expected to be about the same as in 1945. Belgium reports the largest crop since prewar years, and the Netherlands' acreage shows an increase. France has the smallest acreage since the early 1930's, and there is a decided drop in Bulgarian acreage.

India harvested an unusually small flaxseed crop of 14.8 million bushels. The planted acreage compared favorably with that of a year earlier, but the yield per acre was low, because of drought and other seasonal interferences.

A fund has been established in India to be used for the development of oilseed cultivation and marketing. At present a tax of 0.5 percent ad valorem is levied on all exports of oilseeds on the basis of tariff rates fixed once a year for this purpose. The most recent legislation imposes

FLAXSEED: Acreage, yield per acre, and production in specified areas, year of harvest average 1935-39, smnual 1947-46 1/

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Office of Foreign Agricultural Relations. Compiled from official sources or estimated from foreign service reports and other information.

1/ Harvests of the Northern Hemisphere countries are combined with those of the Southern Hemisphere which immediately follow; thus the crop harvested in the Northern Hemisphere countries in 1945 in 1945 is combined with the Southern Hemisphere countries in 1945 in 19 in the Northern Hemisphere countries in 1945 is combined with the Southern Hemisphere harvest which began late in 1945 and ended early in 1946.

2/ Preliminary.

5/ Includes estimates for the above countries for which data are not available and for minor producing countries.

5/ Acreage includes erea for fiber.

5/ Avarage of less than 5 years.

5/ Avarage of less than 5 years.

5/ Not comparable with earlier years because of territorial changes.

2/ Southern Dobrudia.

2/ Southern Dobrudia.

9/ Officially reported figures plus Indian official estimates for unreported tracts were available.

an additional tax of 2 annas per maund (2.56 cents per bushels for flaxseed) on exports. There is also a tax of 1 anna (2.28 cents per 100 pounds) on oil leaving crushing mills. Exports of flaxseed and linseed oil have been prohibited since early this year.

Very little change is expected in other flaxseed-producing countries of Asia except Turkey. Production in that country, estimated at 98,000 bushels, is 45 percent below the short crop in 1945 and approximately one-third of the prewar average.

Flaxseed production in the countries of Africa is normally on a small scale. This year's outturn is slightly more than a quarter of a million, compared with a prewar average of a half million bushels. Morocco's 1946 crop is the smallest in more than two decades. This is attributed to a shortage of seed for planting, brought about by the extreme drought the country experienced during 1945. Egypt's 1946 crop of 43,000 bushels is less than one half the prewar average.

Argentina, the world's outstanding flaxseed producer, had planted 5 million acres when the first estimate was released. According to later reports, seeding was still in progress early in September. This is the largest area planted to this crop since 1943, and growing conditions have been more favorable than in the preceding years. Although locusts have invaded the country, danger to flaxseed is so far not alarming, and Argentina's harvest may equal that of normal years when production averaged around 65 million bushels.

Uruguay has not indicated the area under flaxseed for 1946. It is possible, however, that the high prices being offered for both flaxseed and linseed oil have encouraged farmers to extend their plantings, in which case production should be larger than in recent years.

Flaxseed production is of minor importance in Oceania. Both New Zealand and Australia normally produce flax primarily for fiber. Seed production, however, was increased during the war, and indications are that production is being maintained at the wartime level.

This is one of a series of regularly scheduled reports on world agricultural prospects approved by the Office of Foreign Agricultural Relations Committee on Foreign Crops and Livestock Statistics. For this report the Committee was composed of C. M. Purves, Acting Chairman, Regina H. Boyle, Helen Francis, Friedrich S. Straus, and Oscar K. Moore.

#### CORRECTION

The September 16 issue of Foreign Crops and Markets was incorrectly listed Volume 53, Number 11, on the cover page. This should have been Volume 53, Number 12.

\* \* \* \* \*

## WORLD POTATO CROP LARGEST SINCE 1942

World potato production in the 1946-47 crop year is tentatively estimated at 7,283 million bushels, the largest crop since 1942. This is 13 percent larger than last season's crop of 6,454 million bushels (revised), but below the 5-year (1935-39) average of 8.127 million bushels. The gain this season is attributed in part to increased plantings and in part to increased per acre yield in prospect. Although many areas continue to be deficient in fertilizers, the generally favorable growing season is expected to bring the average yield per acre for the world close to the prewar average.

About 47 million acres of potatoes are expected to be harvested in 1946-47, compared with 45.4 million acres last season, 49.2 million in 1944-45, and the 5-year (1935-39) average of 52.3 million acres. Most of the increase in plantings occurred in Europe, particularly in Germany, Poland, Austria, and Finland where the acreages were relatively small in 1945-46. In the Soviet Union some further recovery of potato plantings is in evidence.

The 1946 potato crop in North America is expected to total 529 million bushels, with the prospective United States crop second largest on record. In Canada the prospect is better than average. The total for the area is about 100 million bushels larger than the prewar average and 30 million bushels more than in 1945-46.

The outlock for potatoes in Europe (excluding the Soviet Union) in 1946 is much improved over the small crop harvested last year. A total of 4,462 million bushels is now indicated for 1946, compared with 3,874 million in 1945 and the 5-year (1935-39) average of 5,340 million bushels. As compared with last year's crop, the largest increases are expected in the Netherlands, Belglum, France, Spain, Portugal, Italy, Germany, Austria, and some of the Balkan countries. In most of these countries, growing conditions have improved considerably over those in 1945.

Early prospects for the Soviet Union are for a crop about as large as in 1945, which was about 16 percent less than the 1935-39 average. Later estimates may show some increase.

South America's first estimate of 106 million bushels is slightly smaller than the revised production of 107 million bushels for 1945-46.

In Africa, the output of 22 million bushels of potatoes shows an increase of 15.8 percent over last season's crop of 19 million bushels and is equal to the 5-year (1935-39) average.

Potato production in Oceania has decreased slightly over the estimate for 1945-46, because of unfavorable weather conditions in Australia and a reduction in acreage in New Zealand.

POTATOES: Acreege, yield per acre and production in specified areas 1970-74 and 1975-79, annual 1944+46

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Soviet Union	Argentina Brazil Chile Colombia Uruguay	Estimated total b/	Africa: French North Africa Egypt.	Africa	Estimated total b/	Asia: Japan. Korea.	Aarshuro (Japenese Sakoline) Palestine Syria and Lebanon. Turkey	Estimated total b/	Oceania: Australia New Zealand	Estimated total b/	Estimated world total b/	Office of Foreign Agricultural Relations.

Office of Foreign Agricultural Rolations. Compiled from official sources and publications of the International Institute of Agriculture. Estimates above in parentheses are straighted from other reliable information. The harvest in the Northern Hemisphere for the main or late crop beginning in July of the year shown in combined with the beginning in February and March of the following year in the Southern Hemisphere.

4/ Preliminary. b/ Includes estimates for countries for which data are not shown and for minor areas not listed. c/ Excluding area and production in gardene and allotments.

This is one of a series of regularly scheduled reports on world agricultural prospects approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. For this report the Committee was composed of C. M. Purves, Acting Chairman, Gustave Burmeister, Flora E. Miles, L. B. Bacon, Lazar Volin, Kathryn H. Wylie, and Robert J. Manovill.

COMMODITY DEVELOPMENTS

## GRAINS, GRAIN PRODUCTS, AND FEEDS

WORLD RICE CROP SEEN BELOW PREWAR 1/

Present prospects are for a 1946-47 world rice crop about 10 percent larger than last season's harvest of 6,300 million bushels, but only from 90 to 95 percent of prewar. The anticipated increase will be due primarily to a larger production in Asia. Exportable supplies from the 1946-47 world harvest, however, may show a small increase over those of last season, estimated at 25 percent of the prewar average. Rice stocks at the start of 1946-47 are at an extremely low level, particularly in the heavy importing and consuming countries of the world. In view of these facts, the reduction of 5 to 10 percent below prewar outturn is expected to result in a continued critical rice shortage during 1947 in most countries.

Asia: Given normal weather conditions during harvest, China's crop is expected to exceed last year's, but to be from 10 to 15 percent less than the 1935-39 average production. Since India's planted acreage is at a high wartime level, harvest in that country may exceed last season's below-average outturn and be larger than prewar. Japan's crop is reported as one of the best in years, but in June Korea's was adversely affected by floods. The Philippine rice acreage is reported to be only slightly above a year ago, or about 80 percent of prewar.

Despite a larger acreage planted in the world's prewar surplus rice region - Siam, Burma, and French Indochina - harvests will be far short of prewar. Last year the acreage of these countries averaged about 50 percent of prewar. In 1946-47 they are estimated to be from 50 to 80 percent of average, and yields likely will be less than in prewar years.

Europe: The outlook for Europe's 1946 rice crop indicates that production will be larger than last year's but substantially below prewar. In Africa, Egypt's 1946 production may be smaller than the 1945 outturn.

<sup>1/</sup> A more extensive statement on 1945-46 rice production and trade and outlook for 1946-47, to be released in October, may be obtained from the Office of Foreign Agricultural Relations.

North and South America: It is too early to forecast the rice acrease of the Western Hemisphere during the 1946-47 season. In the United States, acreage is slightly larger than in last year, with unfavorable weather early in the season, reducing estimates of the crop below last year's record. The acreage of some of the principal rice areas of South America may be as large or larger than a year ago, but it may be smaller in others, depending on comperable prices of other field crops at planting time.

L. Thelma Willahan

CANADIAN GRAIN CROP LARGER THAN IN 1945 1/

Canada's 1946 grain crop is somewhat larger than the 1945 outturn, but about the same as the 5-year (1939-43) average, according to the first official estimate of production. The bulk of the increase is in the wheat crop, though coarse grain production was also slightly larger, as a result of better yields on the reduced acreage. Crops were not as large as had been expected earlier, because of crop damage from unfavorable westher.

The wheat crop of 440,567,000 bushels is the largest since the record crop of 1942, and about 35 percent above last year's. The current outturn is being harvested from the largest wheat acreage seeded since 1940, about 2.5 million acres larger than the 1945 area. Yields throughout Canada are now placed at an average of 17 bushels per acre, compared with longtime-average yields of 16 bushels.

Wheat production in the Prairie Provinces is estimated at 420 million bushels, compared with 282 million bushels a year ago. This year's crop includes 9.9 million bushels of durum grown in Manitoba and Saskatchewan. These Provinces reported an outturn of 5.9 million bushels of durum in 1945. The anticipated average yield of all wheat in the Prairie Provinces is 16.7 bushels, with the highest yields reported at 21.9 bushels for Manitoba, and for Alberta and Saskatchewan 18.9 and 14.6 bushels, respectively.

The only substantial wheat acreage outside the Prairie Provinces is in Ontario, where 16.9 million bushels, chiefly winter wheat, were produced this year. Most of the country's winter wheat is produced in that one Province, a small quantity grown in Alberta being the only exception.

The oats crop, estimated at 411 million bushels, is about 30 million bushels larger than in 1945, despite a reduction of 1.2 million acres in seedings. The increased production is largely accounted for by substantially increased yields in Ontario and Alberta.

The barley outturn is about 6 million bushels larger than in 1945, from an acreage almost 700,000 acres less than a year ago. The production, however, is well below the high level during 1942-44.

Harvesting had made good progress in most areas by mid-September. Threshing was well under way in southern areas of the Prairie Provinces, 1/ The grain section is continued on page 178.

and had been completed in many districts, particularly in Manitoba. Crop damage resulted from high temperatures in late July and early August as well as from early frosts in northern areas of Saskatchewan and Alberta. Severe local hail storms throughout the west and heavy sawfly infestation also reduced yields, according to reports.

CANADA: Grain acreage, yield, and production,

	1946 wit	h comparisons		
Year	Wheat	Rye	0ats <u>a</u> /	Barley
	1,000 :	1,000	1,000	1,000
:	acres	acres	acres	acres
Acreage :		;	3.2.200	5,873
Average - 1939-43:		1,002	13,309	7,291
1944	00 1.71	648 487	: 14,315 : 14,393	7,350
1945	23,414 : 25,900 :	518	13,163	6,730
1946	27,900	2	: 25,205	:
Yield per acre	Bushels	Bushels	Bushels	: Bushels
Average - 1939-43:	19.1	14.5	: 33.1	27.0
1944	17.9	13.2	: 34.9	: 26.7
1945		12.1	: 26.5	: 21.5 : 24.4
1946	17.0	14.6	31.3	. 24.4
:		7 000	1,000	1,000
_ :	1,000	l,000 bushels	bushels	bushels
Production	bushels : 443,356	14,577	440,397	158,737
Average - 1939-43	416,635	8,526	499,643	: 194,712
1944	305,912	5,888	: 381,596	: 157,757
1946	440,567	7,588	: 411,459	: 164,206
	, ,		:	•

From reports of the Dominion Bureau of Statistics a/ Production and yield reported in bushels of 34 pounds.

# FATS AND OILS

BRAZIL BARS EXPORTS
OF CERTAIN FATS, OILS

In order to conserve fats and oils supplies for domestic soap manufacturers, the Brazilian Government on August 30 prohibited until further notice exports of animal fats and specified vegetable oilseeds and oils.

Babassu kernels and oil are included, with the exception of the quantity for shipment to the United States under the agreement of July 25, 1946. Export licenses are controlled by Carteira (the Import-Export Branch of the Bank of Brazil). Other oleaginous products affected by the prohibition are: copra, palm, ouricuri, tucum and their respective oils, cottonseed, and peanut oil.

# CUBA EXTENDS IMPORT-DUTY WAIVER ON EDIBLE OILS

The Cuban Government has extended the waiver of duties, consular fees, and import taxes on imported vegetables oils, except peanut oil, until December 31. A decree of April had waived the duty on all edible vegetable oils and oilseeds until June 30 in order to aid the importation of soybean oil from the United States and of other oleaginous commodities that could be sold within local ceiling prices. The exclusion of peanut oil from the benefits of the new decree was for the purpose of protecting Cuba's domestic peanut-oil industry. Since few oilseeds were imported under the former decree, they were omitted from the new one.

This decision will chiefly benefit importers of United States soybean oil as it was found under the earlier decree that no other oil, except a little olive oil, was obtainable from foreign sources. Duties, taxes, and fees on refined oil from the United States amount to only 1.4 cents a pound, but those on cottonseed and soybean oil from other countries amount to about 2 cents a pound.

# ARGENTINE LARD EXPORTS CONTINUE DOWNWARD TREND

Argentine lard exports during the first half of this year were 23.4 million pounds, or less than half the quantity shipped during the same period a year ago. Argentine lard trade for the current calendar year may be the lowest since 1942 when 44.4 million pounds were exported.

ARGENTINA: Lard exports, 1946 with comparisons Country of destination :Average: : :January : -- June :1935-39: 1943 : 1944 : 1945 : 1945 : 1946 : 1,000 :1,000 :1,000 :1,000 : 1,000 : pounds:pounds:pounds : pounds :pounds South America ..... 1,440:34,121:38,223:36,259: 15,404: 5,165 Mexico ..... - : 2,083:14,755:57,981 : 20,185 : 2,963 Central America ....: 21: 2,456: 77: 1,098: -106 Cuba and West Indies ....: 14:25,000: 1,034: 926: 260: 935 United States .....: 25: 357: 357: 2: 4,001:10,540: 5,163 : 4,603 : 2,608 Sweden.... Switzerland .....: - : 1,343:11,967: 1,642 : 1,552: 441 France .....: 8: 284 - : - : 639 : Union of South Africa ....: 524: 2,220: 512: 196 : 4: Soviet Union .....: - : - : hers ... 2,289: 2,326: 703: 1,162: 922: 190
Total ... 17,134:71,969:87,267:117,501: 50,814:23,442 Others ..... 922: 190

Compiled from official sources and foreign service reports.

The present short supply of lard in Argentina is attributed chiefly to the wide-spread slaughter of hogs several months ago, owing to the unfavorable hog-corn ratio. Hogs marketed today generally are lighter weights yielding less lard.

This year's shipments have gone principally to the United Kingdom, Mexico, the Soviet Union, Sweden, Venezuela, and Peru. Exports to the Soviet Union during June, amounting to 2.8 million pounds, are the first of any consequence. The only other shipment on record is 220 pounds exported in 1941.

## TOBACCO

CUBA SETS UP FUND TO AID TOBACCO INDUSTRY

The Cuban Government, by Decree 1969 published on August 22, has established a fund providing for purchase of surplus leaf tobacco and for direct assistance to factory workers, manufacturers, and retailers in the tobacco industry. Proceeds from a levy on cigarettes would be used largely to raise workers' pay and to compensate producers, manufacturers, and retailers for loss in volume due to the higher price set for cigarettes. The levy is fixed at 1 cent per package of 16 cigarettes, or 25 cents per carton of 25 packets. The increased retail price is expected to provide a fund of 4 million dollars annually. The fund is to be controlled by a Superior Council consisting of the Minister of Agriculture and representatives from the Government, tobacco growers, leaf merchants, cigar manufacturers, cigarette manufacturers, cigarette retailers, and workers.

The decree provides that proceeds from the price increase of 25 cents per carton shall be applied as follows:

- 1. The Tobacco Stabilization Fund will receive 10 cents. This will be divided into two parts. Eight cents will be for assistance to tobacco producers and 2 cents, for the relief of cigar makers who may become unemployed when cigar-making machinery is introduced.
- 2. Five cents is to be allocated as additional profits for retailers. This is reportedly to offset loss in volume when the cigarette-price increase becomes effective.
- 3. Six cents is to be used to increase the wages of cigarette factory workers.
  - 4. Four cents for cigarette manufacturers.

The assistance to retailers, manufacturers, and factory workers is direct, but the form of assistance to growers is not specified in the decree. Growers are reported to be assisted by: (a) Loans for the preparation of their tobacco for market in case they are unable to dispose of it unsorted, (b) purchase of surplus tobacco from growers, and (c) in other ways.

## PHILIPPINES HARVEST SMALL TOBACCO CROP

The 1945-46 Philippine tobacco crop amounted to only 24 percent of prewar average production, according to a report from the American Embassy at Manila. The crop now in the curing barns is estimated at 17.2 million pounds harvested from 59 thousand acres. The abnormally low yields were due to drought during the growing season followed by a destructive typhoon just before the crop was harvested. Quality of the leaf is reported to be poor.

Stocks of old-crop tobacco were estimated on July 1 at about 17.7 million pounds, the bulk of which was stored in Isabela and Cagayan Provinces because of scarcity and cost of warehouse space in Manila. About one-half of the stocks are of the 1940-41 and 1941-42 crops which are considered to be of good quality, but the remainder of later crops is less desirable. The 1945-46 crop and the July 1 stocks combined gave a supply of about 35 million pounds, or slightly less than 50 percent of prewar supplies.

In Manila, ungraded or mixed tobacco of the 1940-41 and 1941-42 crops was selling at an average of about 22 cents per pound. The price was lower for mixed leaf of later crops. Graded leaf was priced at from 12-1/2 to 50 cents per pound according to quality. In the producing areas, prices were 2 to 8 cents per pound lower than in Manila, according to distance from Manila and accessibility of the tobacco.

Tobacco manufacturing was re-established in 1945, but shortage of leaf tobacco and materials combined with high cost of labor greatly curtailed the output of tobacco products. In the first quarter of 1946, the output was increasing but was still only a fraction of prewar.

Factory prices for cigars range from \$100 per 1,000, or 10 cents each, for medium quality cigars to \$150 per 1,000, or 15 cents each, for better quality Coronas. Cigarettes were selling at the factory at \$135 for 1,000 packages of 30 cigarettes each, or 13.5 cents per packet. These prices include internal revenue taxes of \$3.50 per 1,000 cigars, and \$45 per 1,000 packets of cigarettes. Domestic manufacture, especially of cigarettes, is far below Philippine requirements. The Islands imported 456.9 million cigarettes from the U.S. during the June-December period of 1945. These were in addition to supplies for the U.S. Army.

The report indicates that the 1946-47 acreage of tobacco will not exceed 60 percent of the prewar area. This would continue the present shortage of domestic supplies for manufacture and for export. Until such time as leaf tobacco supplies are increased and other materials are available, manufacturing cannot be expanded to prewar levels. The short supply of leaf also makes improbable the exports of any considerable volume of unmanufactured tobacco in the near future.

MANCHURIA TOBACCO CROP BELOW 1945

Manchuria's tobacco crop this year will be smaller than the 1945 outturn of 46 million pounds, according to a report from the American Consulate in Shanghai. Virginia (presumably flue-cured) varieties made up of 37 million pounds of the 1945 crop, and it is probable that flue-cured leaf will also account for the bulk of 1946 production. In view of disturbed conditions and reduced manufacturing, a considerable part of the 1945 crop was carried forward which added to 1946 production may provide a supply for export after domestic needs have been met.

Manufacturing plants in Mukden suffered only minor war damage and losses, but information is not available regarding the situation in Harbin. Lack of supplies is retarding the output of manufactured products. A large hand-rolled cigarette business is being carried on with imitations of well known brands making up a substantial part of this trade. Foreign cigarettes are available at approximately 40 to 60 cents (U. S. currency) per pack of 20. Imitations (hand-rolled) sell at about 24 cents (U. S. currency) per pack.

## COTTON AND OTHER FIBERS

BRAZIL'S COTTON ESTIMATES REDUCED

The 1945-46 cotton crop in south Brazil, harvested earlier this year, is now estimated unofficially at about 1,160,000 bales (of 478 pounds), compared with earlier estimates of 1,450,000 to 1,600,000 bales and last year's crop of 1,146,000 bales. The lower estimates were made after field observations in Sao Paulo late in July revealed that average yields were not as high as previously anticipated. In addition to unfavorable weather conditions reported earlier, soil depletion in the older cotton-growing areas, insufficient fertilizers, and some deterioration of pure strains were noted as causes for lower-than-normal yields this year.

Adding the 1945-46 estimate of 478,000 bales for north Brazil, it appears that the total for Brazil is around 1,638,000 bales, or approximately the same as the small crop of 1,625,000 bales estimated for 1944-45. A sharp increase in cotton acreage is expected in south Brazil next year as a result of present high prices for cotton and a feeling of uncertainty regarding the outlook for food-crop prices next year. In some districts cotton acreage is expected to exceed all previous records. The 1946-47 cotton crop in north Brazil is expected to be approximately equal to last year's crop.

Exports of cotton from Brazil during the year ended July 31, 1946, to-taled about 1,470,000 bales, compared with 462,000 in 1944-45. The total for 1945-46 included 526,000 bales to the United Kingdom, 264,000 to China, 200,000 to Italy, 147,000 to Spain, 68,000 to Belgium, and 60,000 to Sweden.

Sao Paulo cotton prices rose to an all-time peak on July 20, when Sao Paulo Type 5 reached 177.5 cruzeiros per arroba (28.8 cents per pound) and declined in one week to 160 cruzeiros (25.8 cents). Quotations have fluctuated since that date between 157.5 cruzeiros (25.7 cents) and 170.5 cruzeiros (27.5 cents).

WEEKLY COTTON PRICES ON FOREIGN MARKETS

COTTON: Spot prices of certain foreign growths

and qua	malities in specific	markets
Market location, kind, and quality	Date Unit of 1946 weight	:Unit of:Price in :Equivalent :currency:foreign :U. S.cents : :currency :per pound
Alexandria	: :Kantar	• • •
Ashmouni, F.G.F		:Tallari : 39.50 : 32.98
Giza 7, F.G.F		:Tallari : Not quoted
Karnak, F.G.F.		:Tallari : Not quoted
Bombay		: : :
Jarila, fine	· · · · · · · · · · · · · · · · · · ·	:Rupee : 424.00 : 16.32
Kampala, East African	-	_
Buenos Aires	: :Metric ton	: :
Type B		
Lima	: :Sp.quintal	: :
Tanguis, Type 5	: 9-14 : 101.4 lbs.	:Sol : 185.00 : 28.07
Recife	: :Arroba	: :
Mata, Type 5	: 9-13 : 33.07 lbs.	:Cruzeiro: 130.00: 21.25
Sertao, Type 5	: 9-13 : 33.07 lbs.	:Cruzeiro: 135.00: 22.07
Sao Paulo	: :Arroba	
Sao Paulo, Type 5	: 9-13 : 33.07 lbs.	:Cruzeiro: 160.50 : 26.23
	: :Sp.quintal	
Middling, 15/16"	: 9-13 : 101.4 lbs.	:Peso : 136.25 : 27.65
	:	: :

Compiled from weekly cables from representatives abroad.

## LIVESTOCK AND ANIMAL PRODUCTS

WORLD APPAREL-WOOT. STOCKS TRIPLE PREWAR

World stocks of apparel wool, including sold and unsold wool, in all locations are estimated at about 5 billion pounds, greasy wool basis, as of July 1, 1946. This total is 144 million pounds below stocks on the same date a year ago, but over three times larger than normal prewar (1934-38) stocks.

The carry-over last year plus estimated production of apparel wool less current stocks indicates a disappearance of about 3 billion pounds during the 1945-46 season. The United States consumed over a billion pounds, the United Kingdom about 500 million pounds, the Southern Hemisphere about 400 million pounds, Russia possibly 200 million pounds, and the rest of the consuming countries, including Continental Europe, about 900 million pounds.

This year more of the stocks on hand, as of July, were in private hands, in contrast with a year earlier when about 3,570 million pounds, greasy basis, or 70 percent of the total, was held by the Joint Organization of the United Kingdom. Sales of current-clip wool and of wool from Join Organization stocks were very large during the season just closed. These sales totaled about 2,800 million pounds, greasy wool basis, with the bulk going to the United States, the United Kingdon, and Continental Europe.

Though the reduction in Joint Organization stocks is large (see Foreign Crops and Markets, September 9, page 137), in some cases it represents simply a transference of wool from the British Dominion countries to the United States, the United Kingdom, and Continental Europe (especially France and Belgium). Some of this wool has already entered consumption, but a fairly large quantity was purchased for building up stocks in consuming countries. Stocks in the British Dominions were reduced by 340 million pounds, but those held by the United States, the United Kingdom, and other consuming countries increased by 185 million pounds.

WOOL: World stocks of sold and unsold apparel wool, greasy basis, beginning of 1945 and 1946 seasons a/

beginni	ing of 1945 and 1940 se	asons a,
Location	1945 Revised	1946 Preliminary estimate
Surplus countries Australia New Zealand British South Africa Argentina Uruguay	430 506 310 28	: Million pounds : 1,690 : 450 : 310 : b/ 240 : 5 : 2,695
Total  Deficit countries United States United States United States United Kingdom Other consuming countries Total Grand total	2,073	926 0 102 730 :g/ 500 2,258 4,953

Compiled from official sources.

a/ Season begins October 1 in South America and July 1 elsewhere. Estimate for October 1 based on incomplete statistics. c/ Stocks held by dealers and manufacturers and the Commodity Credit Corporation. d/ Foreign wool owned by the Defense Supplies Corporation. e/ British-owned wool practically all for reexport. f/ Held by the Wool Control and by private firms. g/ Practically all apparel wool.

## CANADA RAISES PRICE FOR EXPORT BEEF

The Canadian Meat Board has announced increases in the price it will pay for better qualities of beef for export to Britain, effective on all beef from cattle slaughtered on and after August 26 and varying according to the different price zones throughout Canada.

The adjustment, according to the Board, was being made to restore the relationship of export prices to domestic ceiling prices for beef which existed prior to the increase in domestic ceilings authorized by the Price Board in July. These increases will provide a floor below domestic ceilings of 25 cents for Choice and Good steer and heifer beef, 25 cents for Good and Choice cow beef, and \$1.25 for Commercial quality steer and heifer beef per 1,000 pounds at all points throughout Canada. (For information regarding revision of ceiling prices on beef, see Foreign Crops and Markets, July 29, page 456.)

DANISH CATTLE NUMBERS UP

Danish cattle numbers for the first 8 months of 1946 indicate a seasonal increase of 135,000 head over the number reported at the beginning of the year. Total cattle numbers on July 13, however, were reported at 3,176,000 head, a decrease of 55,000 head compared with a year earlier.

## GRAINS, GRAIN PRODUCTS, AND FEEDS(con't)

ARGENTINE WHEAT ACREAGE REVISED

The 1946 Argentine wheat acreage is now placed at 16,158,000 acres, according to the second official estimate of seeded acreage. This is 13.5 percent larger than last year's seeded area, but 391,000 acres smaller than the first estimate. A large part of the revision occurred in the estimate for Santa Fe, which is estimated to be 8 percent less than the 1945 acreage, whereas the first estimate had shown an increase of 12 percent in that Province.

# MISCELLANEOUS

#### TRADE CONTROLS

The U.S. Department of Agriculture announced the removal of import controls from 27 commodities as provided in Amendment No. 11: to WFO 63. Poultry, poultry products, and dried fruits are the items chiefly affected by the decontrol.

